

Message Text

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ACTION NEA-10

INFO OCT-01 IO-13 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07
PA-01 PRS-01 AGRE-00 LAB-04 HEW-04 HUD-01 DOTE-00
NAS-01 NSF-01 OPIC-03 FAA-00 NRC-05 /134 W
-----161049Z 016530 /10

R 160937Z MAY 77

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 2612

INFO USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 TEHRAN 4313

GENEVA FOR ASSISTANT SECRETARY ATHERTON

EO 11652: GDS

TAGS: ENRG, USIRJC

SUBJ: US-IRAN NUCLEAR COOPERATION AGREEMENT AND
US-IRAN ENERGY DISCUSSIONS.

1. SUMMARY: KEY ELEMENTS OF THE ADMINISTRATION'S
NUCLEAR ENERGY POLICY WERE DISCUSSED WITH IRAN'S ATOMIC
ENERGY CHIEF. IT WAS AGREED THAT THERE SHOULD BE EARLY
RESUMPTION OF DISCUSSIONS ON BILATERAL AGREEMENT FOR
COOPERATION, SUBJECT TO PROGRESS OF THE NUCLEAR ENERGY
BILL IN THE CONGRESS. IT WAS ALSO AGREED IN PRINCIPLE
THAT THERE SHOULD BE AN EARLY MEETING OF US AND IRANIAN
OFFICIALS TO DISCUSS COMMON INTERESTS MORE BROADLY IN
THE ENERGY FIELD, UNDER THE AUSPICES OF THE US-IRAN
JOINT COMMISSION. END SUMMARY.

2. NEA DEPUTY ASSISTANT SECRETARY SOBER, ACCOMPANIED
BY ECONOMIC/COMMERCIAL COUNSELOR, CALLED ON DR. AKBAR
ETAMAD, PRESIDENT OF ATOMIC ENERGY ORGANIZATION OF
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IRAN, AFTERNOON MAY 15, TO REVIEW WITH HIM RECENT
DEVELOPMENTS IN USG POLICY AND DISCUSS NEXT STEPS
IN NEGOTIATIONS ON BILATERAL NUCLEAR COOPERATION.
SOBER OPENED HIS REMARKS SAYING THAT HE HAD DISCUSSED
THESE MATTERS WITH MR. JOSEPH NYE OF DEPARTMENT WHO
HAD ASKED HIM TO CONVEY NYE'S REGRETS AT NOT HAVING
BEEN ABLE TO ATTEND SHIRAZ NUCLEAR TECHNOLOGY CON-

REFERENCE AND AT HAVING MISSED ETEMAD AT SALZBURG.

3. SOBER NOTED THE PRESIDENT'S PLEDGE THAT FOR NATIONS WHICH SHARE OUR NUCLEAR NON-PROLIFERATION CONCERNS WE WILL BE A RELIABLE SUPPLIER OF NUCLEAR EQUIPMENT AND FUELS. THE BILL SENT TO THE CONGRESS BY THE PRESIDENT IN LATE APRIL INCORPORATES MANY PROVISIONS OF OUR NON-PROLIFERATION POLICY. IT IS OUR HOPE, HE SAID, THAT THE CONGRESS WILL MOVE EXPEDITIOUSLY TO ENACT THIS LEGISLATION WHEREUPON WE WILL BE ABLE TO MOVE FORWARD PROMPTLY ON AN AGREEMENT FOR COOPERATION WITH IRAN.

4. SOBER NOTED THAT THE GOI'S RECENT STATEMENTS FOREGOING REPROCESSING FACILITIES WERE WELCOMED. IT SHOULD SUBSTANTIALLY FACILITATE OUR BILATERAL NEGOTIATIONS. ETEMAD REAFFIRMED THAT IRAN HAD INDEED DECIDED TO ABANDON THE IDEA OF HAVING REPROCESSING FACILITIES. HE WENT ON TO SAY THAT THIS DECISION WAS ASSOCIATED WITH THE EXPECTATION THAT THE SUPPLIER NATIONS WILL FULLY RECOGNIZE IRAN'S LEGITIMATE NEEDS FOR NUCLEAR FUEL AND TECHNOLOGY. HE SAID THAT HE HOPED THAT THE UNITED STATES AND QUOTE ITS ALLIES UNQUOTE WOULD RECOGNIZE THIS QUOTE POLITICAL ACT UNQUOTE BY IRAN AND GIVE IRAN DUE CREDIT FOR IT. SOBER REPLIED THAT WE CERTAINLY DID RECOGNIZE THIS VERY IMPORTANT DECISION BY IRAN WHICH WAS CLEARLY CONSISTENT WITH PRESIDENT CARTER'S NUCLEAR POLICY, NOTING THAT WE OURSELVES HAVE DEFERRED INDEFINITELY COMMERCIAL REPROCESSING FACILITIES.

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SING IN THE U.S. SOBER WENT ON TO SAY THAT U.S. HAS TAKEN STEPS TO INCREASE ITS OWN ENRICHMENT CAPACITY AND IS DEVELOPING WAYS TO MAKE FUEL AVAILABLE THROUGH LONG-TERM CONTRACTS. WE WELCOMED IRAN'S INTEREST IN INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM WHICH THE PRESIDENT HAS PROPOSED AND WANT IT TO BE A COLLABORATIVE ENDEAVOR; WE WILL BE APPROACHING ETEMAD SOON WITH CONCRETE PROPOSALS.

6. TURNING TO THE NPT, ETEMAD MADE TWO POINTS: (1) IN IRAN'S VIEW, THERE HAS BEEN OVER THE YEARS NO REAL DISTINCTION MADE BY THE UNITED STATES IN ITS HANDLING OF NPT AND NON-NPT COUNTRIES. THAT THE FORMER COUNTRIES HAVE NOT BENEFITED MORE FROM HAVING SIGNED NPT, SAID ETEMAD, WAS OF REAL CONCERN TO IRAN. (2) ETEMAD SAID THAT THERE ARE EVIDENTLY SOME IN THE U.S. WHO FEEL THAT SOME

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NSF-01 OPIC-03 FAA-00 NRC-05 /133 W
-----181924Z 056019 /40

R 160937Z MAY 77
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C O N F I D E N T I A L SECTION 2 OF 2 TEHRAN 4313

ARTICLES OF THE NPT HAVE MORE VALIDITY THAN OTHERS.
ANY DIFFERENTIATION AMONG THE VARIOUS ARTICLES OF
THE NPT CAN ONLY WEAKEN BOTH THE NPT AND IAEA; IN
FACT, SAID ETEMAD, BOTH NEED STRENGTHENING. ETEMAD
THOUGHT THAT THE U.S. WAS NOT GIVING FULL WEIGHT TO
ITS RESPONSIBILITIES UNDER ARTICLE 4 OF THE NPT.
SOBER OBSERVED THAT THE U.S. RECOGNIZES THAT, AS A
NUCLEAR WEAPONS STATE, WE HAVE A SPECIAL RESPONSIBILITY
TO SHARE WITH OTHERS THE BENEFITS OF NUCLEAR ENERGY.
INDEED, USG PROPOSAL FOR FUEL CYCLE EVALUATION
PROGRAM IS DESIGNED TO ENHANCE THE PEACEFUL NUCLEAR
COOPERATION ENVISAGED IN ARTICLE 4. HOWEVER, IN FUL-
FILLING OUR RESPONSIBILITIES UNDER ARTICLE 4 WE MUST
NOT IMPERIL OBJECTIVES OF ARTICLES 1 AND 2. ETEMAD
AGREED WITH LATTER POINT.

7. ETAMAD THEN TURNED TO ONE OF HIS FAVORITE THEMES
--THE QUOTE LONDON CLUB UNQUOTE OF SUPPLIER NATIONS.
SPEAKING WITH AN APPARENT ABSENCE OF RANCOR, ETEMAD
WAS NEVERTHELESS CANDID IN SAYING THAT SOME QUOTE BAD
FEELING UNQUOTE HAD BEEN ENGENDERED WITHIN GOI AS A
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RESULT OF DECISINS BY THE SUPPLIER NATIONS QUOTE
TAKEN BEHIND OUR BACKS. UNQUOTE SOBER REMARKED THAT

THE DECISIONS IN QUESTION HAD TO BE VIEWED IN CONTEXT OF OVERRIDING CONCERN TO LIMIT THE RISK OF NUCLEAR PROLIF- ERATION.

8. FOLLOWING A BRIEF DISCUSSION OF IRAN'S NUCLEAR POWER PLANT PROGRAM, ETEMAD ACKNOWLEDGED OUR VERY RE- CENT UNDERSTANDING THAT WAY COULD BE OPEN FOR THE U.S. TO SUPPLY CONSIDERABLE NUMBER OF NUCLEAR POWER PLANTS BEYOND THE EIGHT PLANTS HITHERTO QUOTE EARMARKED UNQUOTE FOR THE U.S.

9. SOBER THEN MENTIONED TO ETEMAD THE INTEREST OF SECRETARY VANCE IN HAVING AN EARLY, BROAD DISCUSSION BETWEEN OUR TWO COUNTRIES OF ENERGY ISSUES UNDER THE AUSPICES OF THE U.S.-IRAN JOINT COMMISSION. SUCH A DISCUSSION SHOULD ENCOMPASS NOT ONLY NUCLEAR ENERGY BUT OTHER SOURCES SUCH AS NATURAL GAS AND SOLAR ENERGY AS WELL. SOBER SAID THAT HE HAD MENTIONED THE SECRE- TARY'S INTEREST IN THIS RESPECT TO MINISTER OF ECONOMIC AFFAIRS AND FINANCE ANSARY (IRANIAN CO-CHAIRMAN OF THE JOINT COMMISSION) WHO WAS VERY SYMPATHETIC TO THE IDEA. SOBER ADDED THAT WE WOULD VERY MUCH LIKE TO HAVE DR. ETEMAD'S VIEWS ON WAYS TO MAKE AN ENERGY MEETING MOST USEFUL.

10. ETEMAD ENTIRELY AGREED WITH THE IDEA, SAYING TENTATIVELY THAT HE THOUGH ONE TO TWO DAYS OUGHT TO BE SUFFICIENT FOR SUCH A MEETING. HE ALSO AGREED THAT NEGOTIATIONS ON THE BILATERAL AGREEMENT FOR COOPERATION MIGHT BE RESUMED IN THE CONTEXT OF THE BROADER NUCLEAR ENERGY MEETING. CONSULTING HIS CALENDAR, ETEMAD SAID THAT HE WOULD BE AVAILABLE FOR BOTH THE ENERGY MEETING AND BILATERAL NUCLEAR TALKS IN EITHER THE LAST WEEK OF JUNE OR THE LAST WEEK OF JULY OF THIS YEAR. WHILE IRAN CONFIDENTIAL

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NATURALLY WOULD PREFER TO AWAIT PASSAGE IN THE CONGRESS OF THE ADMINISTRATION'S ENERGY BILL HE THOUGH THAT THE TALKS ON THE BILATERAL COULD BE RE- SUMED PRELIMINARILY EVEN BEFORE FINAL ENACTMENT OF THE BILL.

11. ETEMAD CONCLUDED WITH TWO OBSERVATIONS ON THE NUCLEAR ENERGY BILATERAL. HE SAID THAT IRAN WOULD WANT TO EXAMINE OUR NEW LEGISLATION TO SEE IN WHAT FASHION U.S. COMMITMENTS UNDER THE BILATERAL WOULD BE MET IN VIEW OF THE AUTONOMOUS CHARACTER OF THE U.S. NUCLEAR REGULATORY COMMISSION. SECONDLY, HE SAID IRAN WOULD NEED TO SATISFY ITSELF ON THE MATTER OF NUCLEAR SUPPLY QUARANTEES. SPECIFICALLY, IRAN WOULD HAVE TO HAVE A

COMPLETE UNDERSTANDING OF WHAT THE NEW U.S. LEGISLATION
PROVIDES FOR WITH REGARD TO U.S. RIGHTS TO REDUCE OR
TERMINATE FUEL SUPPLIER TO A FOREIGN NATION.
MIKLOS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, ENERGY, NUCLEAR COOPERATION PROGRAMS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN04313
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2499712
Secure: OPEN
Status: NATIVE
Subject: US-IRAN NUCLEAR COOPERATION AGREEMENT AND US-IRAN ENERGY DISCUSSIONS.
TAGS: ENRG, IR, US, USIRJC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9d43be92-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009